

STATEMENT OF PURPOSE

RS28558 / H0232

This legislation will regulate all beer products regardless of alcohol content and will change the standard of measurement from alcohol by weight to alcohol by volume to align Idaho law with Federal laws. This legislation authorizes over the course of three years, 5% of tax revenues derived from “strong beer” to be reallocated from the Idaho Grape Growers and Wine Producers Commission to the Idaho Hop Growers Commission. This reallocation would reduce the Idaho Grape Growers & Wine Producers Commission budget by approximately \$146,335.20. This Legislation makes the Idaho Grape & Wine Commission’s budget whole again by increasing the Commission’s current percentage of the wine excise tax allocation (only the wine that is produced and sold in Idaho) to eighty-eight percent (88%) over the course of three years. In 1988 legislation was passed and signed into law that made “strong beer” (beer exceeding 4% alcohol by weight) considered and taxed as wine. In 1994 legislation was passed and signed into law that authorized the Idaho Grape Growers & Wine Producers Commission to receive 5% of the total wine excise tax (for both in-state and out-of-state wine that is sold.) Almost 50% of all wine excise taxes are derived from strong beer sales.

FISCAL NOTE

There will be a fiscal impact to the general fund in the amount of approximately \$37,413.19 in Fiscal Year 2022; \$89,216.07 in Fiscal Year 2023 and \$143,896.89 in Fiscal Year 2024 and beyond. These funds would be allocated to the Idaho Grape Growers & Wine Producers account to make that account whole again.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).